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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

MESA AIR GROUP, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 10-10018 (MG)

(Jointly Administered)

**DEBTORS' THIRD NOTICE OF INTENT TO  
ABANDON AIRCRAFT AND REJECT LEASES RELATING TO  
CERTAIN AIRCRAFT PURSUANT TO DEBTORS' PROCEDURES SET  
FORTH IN AMENDED ORDER ENTERED ON FEBRUARY 23, 2010**

**(RE: AIRCRAFT SERVICES CORP AND POLARIS HOLDING CO., OWNER PARTICIPANTS, WELLS FARGO BANK NORTHWEST, OWNER TRUSTEE, CANADIAN REGIONAL AIRCRAFT FINANCE TRANSACTION NO. 1, LOAN PARTICIPANT AND LENDER, US BANK CORPORATE TRUST SERVICES, INDENTURE TRUSTEE, AND POLARIS HOLDING CO., OWNER PARTICIPANT)**

**PLEASE TAKE NOTICE** that the debtors and debtors in possession (collectively, the “Debtors”) hereby give notice to the owner participants, owner trustees, loan participants, indenture trustees, and lenders set forth on Exhibit 1 annexed hereto (the “Aircraft Parties”) of the Debtors’ intent to (a) abandon certain aircraft (the “Excess Owned Equipment”) identified in

<sup>1</sup> The Debtors are: Mesa Air Group, Inc. (2351); Mesa Air New York, Inc. (3457); Mesa In-Flight, Inc. (9110); Freedom Airlines, Inc. (9364); Mesa Airlines, Inc. (4800); MPD, Inc. (7849); Ritz Hotel Management Corp. (7688); Regional Aircraft Services, Inc. (1911); Air Midwest, Inc. (6610); Mesa Air Group Airline Inventory Management, LLC (2015); Nilchi, Inc. (5531); and Patar, Inc. (1653).

Exhibit 1 and (b) reject the certain leases (the “Leases”) for the aircraft identified in Exhibit 1 (the “Excess Leased Equipment” and together with the Excess Owned Equipment, the “Excess Equipment”).<sup>2</sup>

**PLEASE TAKE FURTHER NOTICE** that, on February 23, 2010, the Bankruptcy Court entered its *Order (I) Authorizing Debtors to (A) Reject Leases Relating to Certain Aircraft and Other Related Equipment, (B) Abandon Certain Aircraft, Engines, and Other Related Equipment, (C) Transfer Title to Certain Aircraft, Engines, and Other Related Equipment, and (D) Satisfy the Surrender and Return Requirements Under the Bankruptcy Code, and (II) Approving Related Notices and Procedures* (the “Order”),<sup>3</sup> a copy of which is available upon request from the Debtors’ counsel and which is also available for review on [www.epiq11.com](http://www.epiq11.com) (follow “All Active Cases” and “Mesa Air Group, Inc.” links). All capitalized terms not defined herein have the meaning ascribed to them in the Order. This Notice is being provided to you in accordance with the Order as a Subsequent Rejection/Abandonment Notice.

**PLEASE TAKE FURTHER NOTICE** that unless an affected Aircraft Party timely objects to this Notice and the proposed abandonment or Lease rejections, as the case may be, and related surrender and return of the Excess Equipment, the abandonment of the aircraft and rejection of the Leases, as the case may be, will be effective (i) March 30, 2010 as to Items Nos. 1 through 6 on Exhibit 1 and (ii) May 1, 2010 as to Item No. 7 on Exhibit 1 (as applicable, the “Deemed Effective Date”), without need of any further Court order or additional notice, subject to the rights to object as set forth in the Order, and as of the Deemed Effective Date, the

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<sup>2</sup> This Notice is being filed pursuant to the Stipulation Notice of Filing of Section 1110(b) Agreement Between Debtors and Canadian Regional Aircraft Finance Transaction No. 1 Limited [Docket No. 425] and Stipulation Notice of Filing of Section 1110(b) Agreement Between Debtors and Canadian Regional Aircraft Finance Transaction No. 1 [Docket No. 426].

<sup>3</sup> On February 24, 2010, the Debtors filed with the Court an amended exhibit A-2 to the Order [Docket No. 360].

applicable Aircraft Party may take possession of the Excess Equipment as of the date(s) and at the location(s) set forth on Exhibit 1. As set forth on Exhibit 1, the Debtors are not surrendering and returning the original engines installed on the airframes, but are instead surrendering and returning substitute engines in accordance with the terms of the *Stipulation and Agreement Under Section 1110(b) of the Bankruptcy Code Between Debtors and Canadian Regional Aircraft Finance Transaction No. 1 Limited with Respect to (2) CRJ-200 Aircraft* (the “Section 1110(b) Stipulation”) that was approved on March 5, 2010. In accordance with the Section 1110(b) Stipulation, the Aircraft Parties may not exercise any remedies or assert any claims arising solely from any alleged default on the basis that any Excess Equipment returned does not have the original engines installed ‘on wing’ provided that the Debtors comply with the Section 1110(b) Stipulation.

**PLEASE TAKE FURTHER NOTICE** that if any affected Aircraft Party wishes to object to the rejection of the applicable Lease or return of the applicable Excess Equipment, such affected party must file and serve such objection in accordance with the following procedures:

(a) The Debtors’ rejection of the applicable Lease pursuant to this Notice will be effective as of the Deemed Effective Date, without the need of any further order or notice, if no objection thereto is filed with the Court and served so as to be received by 4:00 p.m. (prevailing Eastern Time) on the 7<sup>th</sup> business day after the filing and service of this Notice, on (i) the United States Bankruptcy Court of the Southern District of New York, One Bowling Green, New York, New York 10004, (ii) the Office of the United States Trustee for the Southern District of New York (the “OUST”), 33 Whitehall Street, 21<sup>st</sup> Floor, New York, New York 10004, (iii) Pachulski Stang Ziehl & Jones LLP, 150 California Street, 15<sup>th</sup> Floor, San Francisco, California 94111 (Attn: Debra I. Grassgreen and Joshua M. Fried), and Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 36<sup>th</sup> Floor, New York, New York 10017 (Attn: Maria A. Bove), attorneys for the Debtors, (iv) Mesa Air Group, Inc., Law Department 410 N. 44<sup>th</sup> St. Suite 700, Phoenix, Arizona 85008, (Attn: Brian S. Gillman, Esq.), and (v) counsel to the Committee, Morrison & Foerster, 1290 Avenue of the Americas, New York, New York 10104 (Attn: Brett H. Miller) (“Committee Counsel”) (collectively, the “Notice Parties”).

(b) If a timely objection is filed and served, the effective date of rejection will be (i) the originally proposed Deemed Effective Date if the objection is overruled or withdrawn or (ii) such other date as determined by the Bankruptcy Court after a hearing on the objection. Further, the Court may adjust the Deemed Effective Date in accordance with the procedures set forth in paragraph 2 of the Order on account of the Enumerated Matters (as such term is defined in the Order) or any other breach of the Order.

(c) A hearing on any objection to this Notice will be held on the next scheduled omnibus hearing date in the Debtors' cases, provided that the objecting party is provided by the Debtors at least five (5) business days' prior written notice of such hearing date and time, and provided further that the foregoing is without prejudice to the Debtors and/or objecting party to move for an expedited hearing (on less than five (5) business days' notice).

(d) The Debtors must file and serve on the objecting party, the OUST and the Committee Counsel any reply to any objection at least two (2) business days prior to the scheduled hearing.

**PLEASE TAKE FURTHER NOTICE** that paragraphs 2 and 9 of the Order set forth important deadlines regarding the assertion of claims and rights.

Dated: March 18, 2010  
New York, New York

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Debra Grassgreen

Richard M Pachulski  
Laura Davis Jones  
Debra I. Grassgreen  
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Maria A. Bove

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Attorneys for Debtors and Debtors in Possession

**EXHIBIT 1**

**Listed Excess Equipment to Be Abandoned or Rejected on Deemed Effective Date**

***INDEX***

Counterparties and other parties in interest should locate their names in the index below and refer to the listed page(s) of the attached exhibit. Parties in interest should review the exhibit in its entirety out of an abundance of caution.

| <b><u>Applicable Counterparty and Other Parties in Interest:</u></b> | <b><u>Page of attached Exhibit 1:</u></b> |
|--|---|
| Aircraft Services Corporation, c/o GE Aviation Services, Inc. ....   | 1, 2, 3,                                  |
| Canadian Regional Aircraft Finance Transaction No. 1. ....           | 1-7                                       |
| Manufacturer and Traders Trust Company .....                         | 6   |
| Polaris Holding Company, c/o GE Capital Aviation Services, Inc. .... | 4, 5, and 7                               |
| U.S. Bank Corporate Trust Services .....                             | 1-5 and 7                                 |
| Wells Fargo Bank Northwest, N.A. ....                                | 1-5 and 7                                 |

| Item No. | Lessors/Secured Parties and Other Related Party Addresses   | Lessee/ Debtor      | Airframe Mfr. & Model | Mfr. Serial No. | U.S. Reg. No. | Engines Manufacturer Model & Serial Number      | Deemed Effective Date and Proposed Return Location                           |
|----------|---|---------------------|-----------------------|-----------------|---------------|---|--|
| <u>1</u> | <p><b><u>Owner Participant:</u></b><br/>Aircraft Services Corporation,<br/>c/o GE Capital Aviation Services, Inc.<br/>Attn: Leader-Contracts<br/>201 High Ridge Road<br/>Stamford, CT 06927<br/>Tel: 203-357-4482<br/>Fax: 203-357-3201</p> <p><b><u>Owner Trustee / Lessor:</u></b><br/>Wells Fargo Bank Northwest,<br/>NA<br/>(formerly First Security Bank)<br/>79 South Main Street<br/>Salt Lake City, UT 84111<br/>Attn: Corporate Trust Department<br/>Tel: 801-246-5819<br/>Fax: 801-246-5053</p> <p><b><u>Loan Participant:</u></b><br/>Canadian Regional Aircraft Finance Transaction No. 1 Limited<br/>22 Grenville Street<br/>St. Helier Jersey Channel Islands<br/>Attn: Mourant &amp; Co. Secretaries Limited, Group 12<br/>Tel 44 (0) 1534 609 000<br/>Fax: 44 (0) 1534 609 333</p> <p><b><u>Indenture Trustee:</u></b><br/>U.S. Bank Corporate Trust Services<br/>One Federal Street, 3rd Floor<br/>Boston, MA 02110<br/>Attn: David Ganss<br/>Tel: 617-603-6580<br/>Fax: 617-603-6669</p> <p><b><u>Lender:</u></b><br/>Canadian Regional Aircraft Finance Transaction No. 1 Limited<br/>22 Grenville Street<br/>St. Helier Jersey Channel Islands<br/>Attn: Mourant &amp; Co. Secretaries Limited, Group 12<br/>Tel 44 (0) 1534 609 000<br/>Fax: 44 (0) 1534 609 333</p> | Mesa Airlines, Inc. | CL-600-2B19 (CRJ-200) | 7202            | N47202        | General Electric - Model: CF34-3B1 - SN: 872241 | March 30, 2010.<br><br>Mesa's Columbia, South Carolina maintenance facility. |

| Item No. | Lessors/Secured Parties and Other Related Party Addresses  | Lessee/ Debtor            | Airframe Mfr. & Model        | Mfr. Serial No. | U.S. Reg. No. | Engines Manufacturer Model & Serial Number                   | Deemed Effective Date and Proposed Return Location                                    |
|----------|--|---------------------------|------------------------------|-----------------|---------------|--|---|
| <u>2</u> | <p><b><u>Owner Participant:</u></b><br/> Aircraft Services Corporation,<br/> c/o GE Capital Aviation<br/> Services, Inc.<br/> Attn: Leader-Contracts<br/> 201 High Ridge Road<br/> Stamford, CT 06927<br/> Tel: 203-357-4482<br/> Fax: 203-357-3201</p> <p><b><u>Owner Trustee / Lessor:</u></b><br/> Wells Fargo Bank Northwest,<br/> NA<br/> (formerly First Security Bank)<br/> 79 South Main Street<br/> Salt Lake City, UT 84111<br/> Attn: Corporate Trust<br/> Department<br/> Tel: 801-246-5819<br/> Fax: 801-246-5053</p> <p><b><u>Loan Participant:</u></b><br/> Canadian Regional Aircraft<br/> Finance Transaction No. 1<br/> Limited<br/> 22 Grenville Street<br/> St. Helier Jersey Channel<br/> Islands<br/> Attn: Mourant &amp; Co.<br/> Secretaries Limited, Group 12<br/> Tel 44 (0) 1534 609 000<br/> Fax: 44 (0) 1534 609 333</p> <p><b><u>Indenture Trustee:</u></b><br/> U.S. Bank Corporate Trust<br/> Services<br/> One Federal Street, 3rd Floor<br/> Boston, MA 02110<br/> Attn: David Ganss<br/> Tel: 617-603-6580<br/> Fax: 617-603-6669</p> | Mesa<br>Airlines,<br>Inc. | CL-600-<br>2B19<br>(CRJ-200) | 7208            | N37208        | General<br>Electric -<br>Model: CF34-<br>3B1 -<br>SN: 872265 | March 30, 2010.<br><br>Mesa's Columbia,<br>South Carolina<br>maintenance<br>facility. |

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| <u>3</u> | <p><b><u>Owner Participant:</u></b><br/> Aircraft Services Corporation,<br/> c/o GE Capital Aviation<br/> Services, Inc.<br/> Attn: Leader-Contracts<br/> 201 High Ridge Road<br/> Stamford, CT 06927<br/> Tel: 203-357-4482<br/> Fax: 203-357-3201</p> <p><b><u>Owner Trustee / Lessor:</u></b><br/> Wells Fargo Bank Northwest,<br/> NA<br/> (formerly First Security Bank)<br/> 79 South Main Street<br/> Salt Lake City, UT 84111<br/> Attn: Corporate Trust<br/> Department<br/> Tel: 801-246-5819<br/> Fax: 801-246-5053</p> <p><b><u>Loan Participant:</u></b><br/> Canadian Regional Aircraft<br/> Finance Transaction No. 1<br/> Limited<br/> 22 Grenville Street<br/> St. Helier Jersey Channel<br/> Islands<br/> Attn: Mourant &amp; Co.<br/> Secretaries Limited, Group 12<br/> Tel 44 (0) 1534 609 000<br/> Fax: 44 (0) 1534 609 333</p> <p><b><u>Indenture Trustee:</u></b><br/> U.S. Bank Corporate Trust<br/> Services<br/> One Federal Street, 3rd Floor<br/> Boston, MA 02110<br/> Attn: David Ganss<br/> Tel: 617-603-6580<br/> Fax: 617-603-6669</p> | Mesa<br>Airlines,<br>Inc. | n/a                   | n/a             | n/a           | General<br>Electric -<br>Model: CF34-<br>3B1 -<br>SN: 872204 | <p>March 30, 2010.<br/>(Engine only)</p> <p>Mesa's Columbia,<br/>South Carolina<br/>maintenance<br/>facility.</p> |



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| <u>4</u> | <p><b><u>Owner Participant:</u></b><br/> Polaris Holding Company,<br/> c/o GE Capital Aviation Services, Inc.<br/> Attn: Leader-Contracts<br/> 201 High Ridge Road<br/> Stamford, CT 06927<br/> Tel: 203-357-4482<br/> Fax: 203-357-3201</p> <p><b><u>Owner Trustee / Lessor:</u></b><br/> Wells Fargo Bank Northwest, NA<br/> (formerly First Security Bank)<br/> 79 South Main Street<br/> Salt Lake City, UT 84111<br/> Attn: Corporate Trust Department<br/> Tel: 801-246-5819<br/> Fax: 801-246-5053</p> <p><b><u>Loan Participant:</u></b><br/> Canadian Regional Aircraft Finance Transaction No. 1 Limited<br/> 22 Grenville Street<br/> St. Helier Jersey Channel Islands<br/> Attn: Mourant &amp; Co. Secretaries Limited, Group 12<br/> Tel 44 (0) 1534 609 000<br/> Fax: 44 (0) 1534 609 333</p> <p><b><u>Indenture Trustee:</u></b><br/> U.S. Bank Corporate Trust Services<br/> One Federal Street, 3rd Floor<br/> Boston, MA 02110<br/> Attn: David Ganss<br/> Tel: 617-603-6580<br/> Fax: 617-603-6669</p> | Mesa Airlines, Inc. | n/a                   | n/a             | n/a           | General Electric - Model: CF34-3B1 - SN: 872268 | <p>March 30, 2010. (Engine only)</p> <p>Mesa's Columbia, South Carolina maintenance facility.</p> |

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| <u>5</u> | <p><b><u>Owner Participant:</u></b><br/> Polaris Holding Company,<br/> c/o GE Capital Aviation Services, Inc.<br/> Attn: Leader-Contracts<br/> 201 High Ridge Road<br/> Stamford, CT 06927<br/> Tel: 203-357-4482<br/> Fax: 203-357-3201</p> <p><b><u>Owner Trustee / Lessor:</u></b><br/> Wells Fargo Bank Northwest, NA<br/> (formerly First Security Bank)<br/> 79 South Main Street<br/> Salt Lake City, UT 84111<br/> Attn: Corporate Trust Department<br/> Tel: 801-246-5819<br/> Fax: 801-246-5053</p> <p><b><u>Loan Participant:</u></b><br/> Canadian Regional Aircraft Finance Transaction No. 1 Limited<br/> 22 Grenville Street<br/> St. Helier Jersey Channel Islands<br/> Attn: Mourant &amp; Co. Secretaries Limited, Group 12<br/> Tel 44 (0) 1534 609 000<br/> Fax: 44 (0) 1534 609 333</p> <p><b><u>Indenture Trustee:</u></b><br/> U.S. Bank Corporate Trust Services<br/> One Federal Street, 3rd Floor<br/> Boston, MA 02110<br/> Attn: David Ganss<br/> Tel: 617-603-6580<br/> Fax: 617-603-6669</p> | Mesa Airlines, Inc. | n/a                   | n/a             | n/a           | General Electric - Model: CF34-3B1 - SN: 872296 | <p>March 30, 2010. (Engine only)</p> <p>Mesa's Columbia, South Carolina maintenance facility.</p> |

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| <u>6</u> | <p><b><u>Lender:</u></b><br/> Canadian Regional Aircraft Finance Transaction No. 1 Limited;<br/> 22 Grenville Street<br/> St. Helier; Jersey; Channel Islands; Attn: Maurant &amp; Co. Secretaries Limited, Group 12;<br/> Tel 44 (0) 1534 609 000;<br/> Fax: 44 (0) 1534 609 333</p> <p><b><u>Indenture Trustee:</u></b><br/> Manufacturers and Traders Trust Company<br/> 25 South Charles Street<br/> Mail Code 101-591<br/> Baltimore, MD 21201<br/> Attn: Corporate Trust Department<br/> Fax: 410-244-4236</p> | Mesa Airlines, Inc. | n/a                   | n/a             | n/a           | General Electric - Model: CF34-3B1 - SN: 872225 | <p>March 30, 2010. (Engine only)</p> <p>Mesa's Columbia, South Carolina maintenance facility.</p> |

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| 7        | <p><b><u>Owner Participant:</u></b><br/>Polaris Holding Company,<br/>c/o GE Capital Aviation Services, Inc.<br/>Attn: Leader-Contracts<br/>201 High Ridge Road<br/>Stamford, CT 06927<br/>Tel: 203-357-4482<br/>Fax: 203-357-3201</p> <p><b><u>Owner Trustee / Lessor:</u></b><br/>Wells Fargo Bank Northwest, NA<br/>(formerly First Security Bank)<br/>79 South Main Street<br/>Salt Lake City, UT 84111<br/>Attn: Corporate Trust Department<br/>Tel: 801-246-5819<br/>Fax: 801-246-5053</p> <p><b><u>Loan Participant:</u></b><br/>Canadian Regional Aircraft Finance Transaction No. 1 Limited<br/>22 Grenville Street<br/>St. Helier Jersey Channel Islands<br/>Attn: Mourant &amp; Co. Secretaries Limited, Group 12<br/>Tel 44 (0) 1534 609 000<br/>Fax: 44 (0) 1534 609 333</p> <p><b><u>Indenture Trustee:</u></b><br/>U.S. Bank Corporate Trust Services<br/>One Federal Street, 3rd Floor<br/>Boston, MA 02110<br/>Attn: David Ganss<br/>Tel: 617-603-6580<br/>Fax: 617-603-6669</p> | Mesa Airlines, Inc. | CL-600-2B19 (CRJ-200) | 7217            | N17217        | General Electric - Model: CF34-3B1 - SN: 872319 | May 1, 2010<br><br>Mesa's Hot Springs, Arkansas maintenance facility. |